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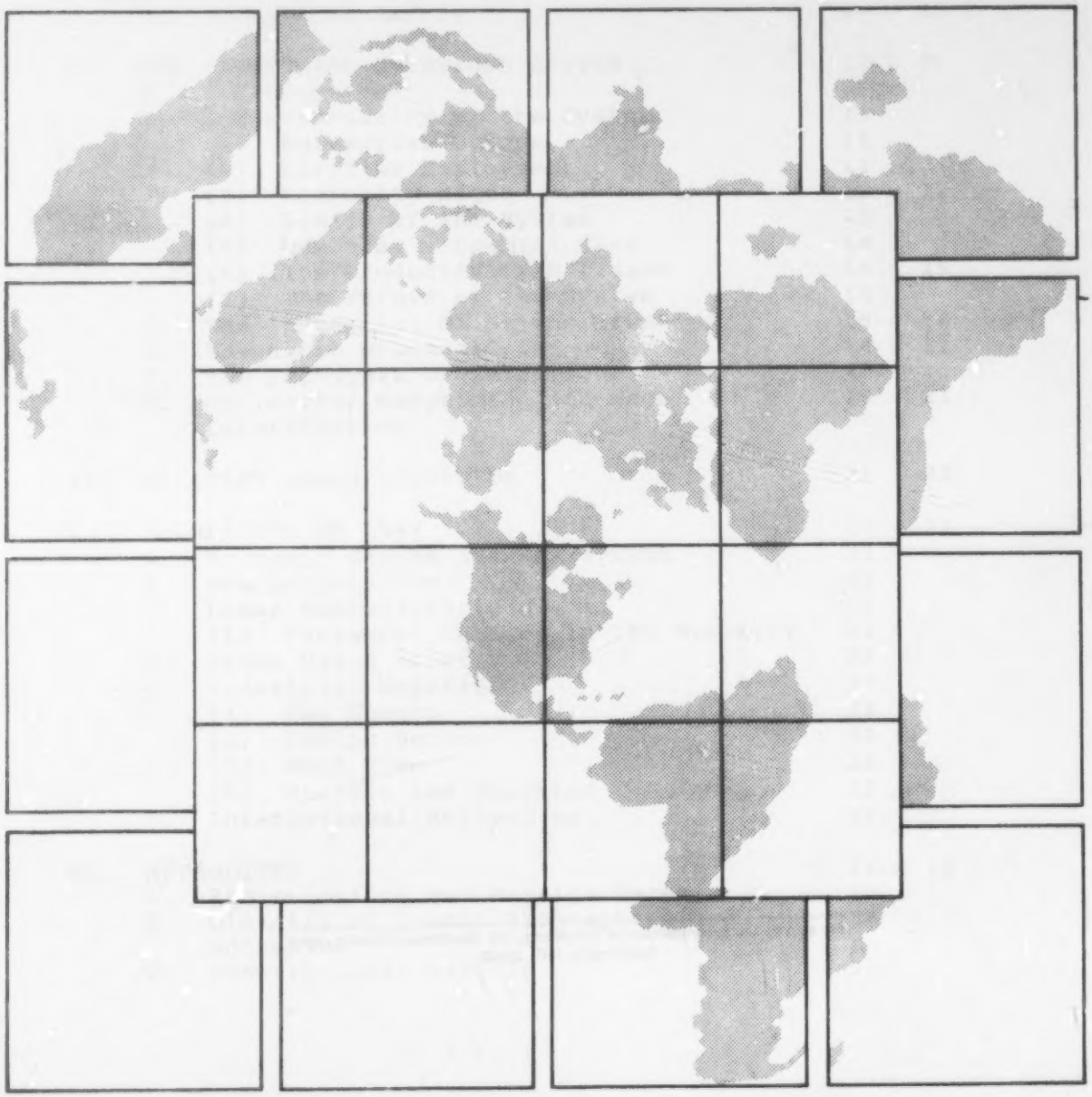

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LABOR TRENDS IN JAPAN

1987

SUMMARY

There were no unheralded changes in Japan's labor economy and its institutions during 1987. While the labor force continued to grow modestly, unemployment, slight by OECD standards, rose. Wage settlements continued low and industrial disputes remained uncommon. There were some leadership changes at the Ministry of Labor, as well a new Labor Standards Act that called for reduced working hours. Toward the end of the year the private sector trade unions joined together to form the Japan Private Sector Trade Union Confederation (Rengo), a new national labor center comprising 5.5 million members.

END SUMMARY

I. THE LABOR ECONOMY

A. Demography and the Labor Force

The Japanese islands make up an area slightly smaller than the State of California. However, the archipelago supports an estimated population of 122,180,000. This makes Japan the seventh most populous nation in the world and the fifth largest language community (in terms of native speakers). In recent years the population's once rapid rate of increase has slowed significantly. It is projected that this trend will continue, and that early in the next century the population will peak at 133.6 million, and then begin to decline. The relative historical isolation of the country and the large size and cultural homogeneity of its population have been significant factors in its economic development.

The workforce was estimated to be 60,200,000 in 1987, reflecting a participation rate of 61.8 percent of the population over age 15, (the legal age at which employment can commence). In recent years, the work force has been gradually increasing, primarily as a result of the increasing entry of married women into the job market, off-setting a steady, albeit slight, decline in the male participation rate. The number of foreign residents (867,237), mostly Korean nationals born in Japan, is less than one percent of the population and, although rising, is a negligible factor in the work force. An even smaller number of Japanese (est. 498,000) reside overseas.

Next to its size, the most significant aspect of the Japanese population is its age. Although the average age is still only 36 years, the declining birth and death rates mean, on the one hand, that the Japanese have, at birth, the longest life expectancy in the world (75.2 for men and 80.9 for women in 1986). On the other, they are, as a people, aging at an unprecedented rate. It is projected that by A.D. 2025, the percentage of Japanese aged 65 and over will have doubled, to slightly over 21 percent, making the population the "oldest" in the world.

The aging of the population, with its far-reaching consequences for the country's economy and its social institutions, is one of the major long-term problems facing Japan today.

B. Economi Growth, Employment and Unemployment

In terms of GNP, Japan is second only to the United States amongst the industrial democracies. As a result of two decades of almost steady export-led real growth, Japan's 1987 GNP stood at 344 trillion Yen .

Some years ago, services surpassed manufacturing as the largest sector in the economy, measured in terms of employment. However, the service industries are not yet as highly developed as in the U.S. That, plus the retention of large segments of the active population in both export-oriented manufacturing and protected agriculture means that the distribution of the Japanese work force by sector currently resembles that of European nations, such as France, more than it does the U.S.

TABLE I

LABOR FORCE DISTRIBUTION

	AGRICULTURE	MANUFACTURING	SERVICES
JAPAN (1987)	8.0	32.8	56.2
France (1986)	6.3	27.3	53.5
U.S. (1987)	2.8	25.4	65.5

Despite Japan's impressive record in terms of real economic growth, in recent years the numbers of new jobs being added to the economy has been relatively modest. (Moreover, a -- for Japan -- significant proportion of the work force are not "regular" or career employees but are temporary or part-time

workers.) Given the increase in the work force, this has brought about a slow rise in unemployment to what are historic highs for Japan. Although the Japanese jobless rate is still very small by European and American standards, its overall trend is causing concern.

TABLE II

NUMBER OF EMPLOYEES
(millions)

	1981	1982	1983	1984	1985	1986
TOTAL (non-agricultural, industry)	40.0	40.6	41.7	42.3	42.85	43.5
"Regular" employees	36.2	36.7	37.5	38.0	38.47	39.3
Temporary and other employees	3.8	3.9	4.2	4.2	4.37	4.37
UNEMPLOYMENT RATE (percent)	2.2	2.4	2.6	2.7	2.6	2.8

There appears to be a growing problem of youth unemployment, and there are significant differences in the rate of joblessness by region. However, the group amongst the unemployed that is the greatest cause of official concern is the difficult-to-place older workers (55 and over).

II. LABOR STANDARDS, SOCIAL PROGRAMS, AND THEIR ADMINISTRATION

A. Introduction

Under the constitution, the government is expressly authorized to set standards for "wages, hours, rest and other working conditions." The "Labor Standards Law" implements that authority through the establishment of minimum terms for contracts, wages, hours, vacations, rest, and the protection of women and young workers. The law charges the unions and employers to improve upon the legally set minimums as their circumstances permit.

Other existing statutes governing labor standards include: the "Minimum Wages Law," the "Industrial Safety and Health Law," the "Industrial Homework Law," and the "Workmen's Accident Compensation Insurance Scheme." In addition there is also a comprehensive program of social benefits (see below).

B. Minimum Wages and Legal Work Week

(1) Wages: Under the "Minimum Wages Law" of 1959, minimum wages may be determined either generally, by prefecture(s), on the recommendation of a prefectural Minimum Wages Council, or by individual industry within the prefecture (or group of prefectures). To ensure the coherent administration of the law by the 47 prefectures, a Central Minimum Wages Council reviews their activities and provides guidance. The prefectures have been divided into 4 "Ranks," each of which has its own standards for the setting of minimum wages. The amount of the minimum wage is revised annually, and the general prefectural minimum wage is normally lower than the industrial one. There are significant differences between the highest minimum wage rates, which regularly apply to Tokyo and Osaka, and the lowest, e.g., in Okinawa.

In 1987, the highest minimum wage was set in the "A Rank" prefectures at yen 3,801 per day (approx. $26.21) or yen 488 per hour (approx. $3.36). The lowest in the "D Rank" prefectures was yen 3,252 per day (approx $22.42) or yen 407 per hour (approx $2.80). NOTE: A rate of 145 yen to the dollar has been used throughout this report.

(2) Legal Work Week: In order to reduced the number of hours worked by japanese, the law was revised in 1987 to call for the gradual reduction in the number of hours worked weekly from the present 48 to 40. Among the other important specific provisions of the law are:

-- limitations on the duration of fixed-time work contracts to less than one year;

-- a requirement that wages be paid in cash, in full, and at least once a month;

-- the establishment of a 46-hour work week;

-- a requirement that overtime premium for work in excess of those periods must be at least 25 percent

-- a requirement that every employee with at least one year's service, be given 6 days of paid vacation per year, with the number of vacation days rising to a maximum of 20 based on length of service.

Of all the major industrial democracies, Japan has the longest hours of actual work -- slightly over 2100 hours per year. After declining to 2069 hours in 1975, work time has crept back up and stabilized at just over the 2100-hour level.

Although the Labor Standard Act now calls for shorter work-weeks, the limits on the maximum number of hours per work-day was raised from eight to ten. Unions are also displeased with the new Act because it does not give a timetable for adoption of the the 40-hour work week they have demanded.

The government's primary concern in calling for the gradual reduction of working hours has been to reduce the impact a sudden legislated reduction in working time would have on smaller employers. Outside the legislative area the government is also seeking that employers reduce hours worked by encouraging banks to close every other Saturday, and also by closing postal and government offices on weekends, which will make it extremely difficult for most small and medium size enterprises to operate their business effectively on those days.

One novel and controversial feature of work time in Japan is the prevalence of voluntary uncompensated overtime performed, particularly in the white collar field, including the regular failure of employees to take more than 60 percent of their legally due vacations. A variety of explanations has been offered for this phenomenon, ranging from the internal dynamics of the Japanese "work team" or "Ka" (whereby it is said, no individual will take time off unless everyone else in the Ka is doing so); through allegations of employer intimidation, of varying degrees of overtness; to an alleged genuine preference on the part of male workers for the camaraderie of the work place to the cramped accommodations of the typical Japanese home.

C. The Social Safety Net

Over the years, Japan has evolved a nearly comprehensive social safety net consisting of unemployment benefits, national health insurance, workmen's compensation, and a national pension scheme. There is also a family allowance system.

UNEMPLOYMENT BENEFITS: Established in 1947, the employment insurance system is overseen by the Ministry of Labor but administered, for the most part, by the local authorities. The system covers almost all employees other than seasonal workers, seamen, and government employees. (Coverage, however, is voluntary for employees in firms with under five workers.) To be eligible for benefits, an individual must have been insured

and working for at least six months prior to becoming unemployed. Benefits are keyed to a percentage of previous earnings (up to 80 percent for low wage earners), and their duration is based on whether an individual was insured more than one year; on the individual's age; and on the existence -- or not -- of a handicap. Additional benefits are available for training and job searching.

WORKMEN'S COMPENSATION: Participation in this Ministry of Labor supervised program is mandatory for all firms employing 5 or more workers. (It is voluntary in the smaller establishments.) Coverage is also open, on a special basis, to the self-employed in certain occupations and to workers sent overseas by their employers. The insurance system is divided into two programs, depending on whether the injury occurred during actual work time or while commuting to or from the work place. Under either scheme, victims receive medical benefits, temporary disability compensation, and long-term or permanent disability compensation. There is also a survivor's benefit.

HEALTH INSURANCE: The system for health care consists of eight separate contributory schemes: seven based on occupations and one a catch-all program. The occupational programs consist of a general insurance plan administered either by the government (for employees of small- or medium-sized firms) or by health insurance societies (in the case of large companies or groups of companies). There are separate programs for private-sector employees, seamen, day laborers, and employees of the national and local governments, public enterprises, and school personnel. The catch-all program is known as "National Health Insurance" and covers people not eligible for any of the other programs. Benefits cover medical expenses, provide income security, and otherwise vary somewhat between programs. A number of the occupational systems are incurring regular deficits. Foreign residents of Japan may be included in the National Health Insurance program if the local government authority permits it.

THE NATIONAL PENSION PROGRAM: As in the case of health insurance, the pension insurance programs are contributory and an amalgam of occupational plans plus a national scheme. In 1986, the national plan was was modified to bring all the plans into the national one. The plan's basic benefit is now what is payable to persons covered by occupational plans. However, those occupational plans retain their earnings-related benefits payable under their original plans. In addition, the age for eligibility for benefits was pushed back to 65, the method by which the national pension was to be calculated was modified

downwards (to preclude the possibility that the basic benefit could exceed the average wage), and the wives of persons insured under the employees pension scheme were brought in for mandatory coverage in their own right (for the first time) under the national program.

These national programs are supplemented by additional private schemes, negotiated between unions and their firms, particularly in the largest enterprises. Many Japanese continue to prefer the traditional lump sum settlement upon retirement, to monthly pension payments.

CHILDREN'S ALLOWANCES: Begun in 1972, this program is under the jurisdiction of the Ministry of Health and Welfare and administered by the local authorities. It provides low-income households with three or more school-age children a monthly benefit of yen 5,000 (U.S. $34) per child (yen 7,000 -- U.S. $48 -- for lowest income families) and is funded by contributions from employees and local governments and a central government subsidy.

D. Labor Administration

Labor administration in Japan is the general responsibility of the Labor Ministry. Certain phases and functions of that administration are entrusted to specialized bodies and local government, but as Japan is a unitary state, these devolutions of authority do not detract from the Ministry's paramount position and supervisory responsibilities.

Organized, in its present form, in 1974, the Ministry is headed by a Cabinet Officer, usually selected from amongst the most senior Diet members of the ruling Liberal Democratic Party (LDP). The Minister is assisted by a Parliamentary Vice-Minister, normally a more junior Diet member from the ruling party. In recent years, the incumbents in both positions have tended to change with each annual Cabinet reshuffle.

The Ministry itself has some 25,000 employees located in both Tokyo and the provinces. At present the headquarters is divided up into a Ministerial Secretariat (which includes a Policy Planning Department) and five bureaus: Labor Relations, Labor Standards, Women, Employment Security, and Human Resources Development. The most senior career officials are the Administrative Vice-Minister, the Director of the Secretariat (who ranks as a Deputy Vice-Minister), and the Assistant Minister for International Affairs. (See IV.C. for changes in 1987, and Appendix B for biographies and addresses.

The Ministry also supervises the activities of a number of special organizations including the Labor Relations Commissions (tribunals charged with adjudicating unfair labor practice complaints - See III. C below), the Labor Welfare Projects Corporation (welfare projects related to workmen's compensation), and the Employment Promotion Projects Corporation (vocational training and research and related matters).

Another important duty of the Ministry is the supervision of the Japan Institute of Labor which promotes labor education, research, and the flow of information about Japan overseas. The Institute publishes a monthly English-language survey, the "Japan Labor Bulletin."

The Ministry is also responsible for overseeing the activities of a number of private organizations, including the Occupational Health Promotion Foundation, which, in turn, oversees the University of Occupational Safety and Health in Kitakyushu City.

In addition to its domestic responsibilities, the Ministry is also active in international affairs, with responsibilities for the work of the ILO, the OECD, and the biennial Asian and Pacific Labor Ministers' Conference. There are also special bilateral programs including two involving the U.S.: a Cooperative Program with the U.S. Department of Labor and a trade union leader exchange program for American labor leaders. To facilitate its international work, the Ministry is aided by Labor Attaches assigned to the Japanese Embassies in London, Bonn, Bangkok, Brussels, Singapore, Seoul, Jakarta and Washington, as well as in Geneva, Melbourne, Paris (OECD), and Rio de Janeiro.

E. Industrial Safety

1985 (the last year for which figures are available) marked the sixth consecutive annual decline in the number of work-related serious injuries or incidents of illness (requiring employees to lose four days or more of work).

TABLE III

INDUSTRIAL ACCIDENTS

	Deaths			Serious Injuries/Illness		
	1983	1984	1985	1983	1934	1985
Construction	1,106	1,083	960	85,176	79,781	73,595
Manufacturing	459	482	475	86,386	85,053	80,401
Land Transport	245	272	259	19,164	19,257	18,444
Forestry	121	120	122	9,761	9,172	8,498
Mining	112	172	137	6,191	5,411	4,642
Communications & Transportation	47	44	53	4,051	4,258	3,643
Dockwork	34	33	42	2,455	2,387	2,095
Other	464	429	524	65,439	66,565	65,922
TOTAL	2,588	2,635	2,572	278,623	271,884	257,240

Source: Ministry of Labor, Survey on Industrial Injuries.

III. THE INDUSTRIAL RELATIONS SYSTEM

A. Introduction

Japan's economic growth over the past quarter century is widely regarded as a remarkable achievement for a resource-poor, densely populated country. The reasons for this success have been the subject of innumerable studies, and, often, sharply conflicting conclusions. However, Japan's good labor relations are regularly cited as a significant factor in the country's development.

For this reason, there have been some efforts abroad to copy perceived innovative Japanese industrial relations and personnel techniques, especially as they relate to productivity and quality control. Some of this imitation, based in part on misunderstandings, is disconcerting to the Japanese, e.g., the patently anti-union measures introduced in certain developing countries as "copies" of Japanese practices.

Ironically, at this very same time, many Japanese scholars and commentators believe that radical changes in, inter alia, the country's traditional industrial relations structures, are overdue and inevitable. The reasons cited are related both to the dynamics of Japan's aging and allegedly increasingly individualistic society, and how these factors interact with the demands imposed on the economy by both the evolving nature of international competition and technological change.

B. Characteristics of the System

Japan possesses a highly sophisticated system of labor law and practice. Nonetheless, the institutions that are generally considered to typify its industrial relations system are not the statutory ones, but those that are voluntary in nature: the "enterprise unions," "lifetime employment," and "seniority wages." These are widely known as "the three precious treasures of Japanese industrial relations," a phrase coined by a former president of the Association of Employers' Federations (Nikkeiren).

(1) "ENTERPRISE UNIONS" -- These are autonomous worker organizations representing all -- and only -- the career (or in Japanese parlance "regular") employees of a given enterprise. The Japanese like to contrast this system, with its single focus on the individual firm, with those in other countries in which workers are organized into multi-employer unions based on industry or craft. Although enterprise unions do federate themselves into industrial and national structures, they retain their autonomy and their basic focus always is on the home-base enterprise and, through its well-being, the jobs and wages of its members. Almost all Japanese labor organizations are enterprise unions (the only notable exception being the Seamen's Union); and in the larger firms, at least, there is normally only one such union.

(2) LIFETIME EMPLOYMENT -- Under the "lifetime employment system," firms compete with each other each spring to recruit the best of the new university and high school graduates as "regular employees" (the desirability of each graduate is normally determined as much by the prestige attached to his university or school as his academic record). These "regular employees" enter the firm with the expectation that they will be kept on until they reach its mandatory retirement age (traditionally 55, but now pushed back to 60 in more than half of all enterprises.) Concomitant with this "lifetime employment" is the acceptance by the employees that during their careers they will serve in a variety of functions, as needed, including possibly lengthy periods of temporary duty entailing physical separation from their families. The system's name is derived from the fact that, during the immediate post-war years, when this practice first became widespread, the average male life expectancy was little more than 55, the age most firms fixed for mandatory retirement. However, with the subsequent extension of life expectancy, and the need for older workers to stay in the labor market long after "retirement," the name of the system has become rather misleading.

(3) SENIORITY WAGES -- The basic compensation for all new "regular employees" is a monthly salary based on the individual's level of educational attainment and sex (but not job assignment). This sum automatically rises, at least annually, in accordance with a published table, on the basis of length of service and without relation to the job performed. (In some firms, these increases stop several years before mandatory retirement.) This is the essential element of the so-called "seniority wage system." This monthly compensation is also the basis upon which the traditional twice yearly (June and December) "bonuses" or "seasonal allowances" are calculated (in multiples of a month). These "bonuses," which are normally not expressly tied to profits, are sometimes described as a kind of deferred salary payment, the amount of which is either negotiated with a union or based on custom. These "bonuses" can constitute a significant proportion of a worker's annual income.

In addition, most major enterprises provide family allowances and, increasingly, significant amounts of performance pay and other special job-related premiums. (In the larger firms, "regular employees" also benefit from a large number of non-cash fringe benefits of various kinds, including housing.) There is, moreover, a customary "separation" or "retirement" lump sum allowance (calculated on the basis of length of service and the basic monthly wage), due each "regular employee" when he retires or leaves voluntarily. Although most employees prefer to have the lump-sum payment, some firms have introduced annuities to replace these sometimes considerable outlays.

There are significant differentials in initial and subsequent basic compensation and allowances between industries, and between large, medium and small firms . According to a 1985 survey, the differentials between the largest and smallest firms was increasing.

TABLE IV

AVERAGE ANNUAL COMPENSATION
(By Industry)

	Yen (thousands)	Dollar Equivalent ($1.00 = yen 168)
All industries	3,294	23,357
Mining	4,088	24,333
Construction	3,836	22,833
Manufacturing	3,664	21,809
Wholesale & Retail	3,397	20,220
Finance & Insurance	5,109	30,410
Real Estate	4,199	24,944
Transportation/Communication	4,239	25,946
Utilities	5,143	32,220
Services	4,221	25,125

TABLE V

AVERAGE ANNUAL COMPENSATION
(By Size of Establishment)

	Yen (thousands)	Dollar Equivalent ($1.00 = yen 168)
30 - 99 employees	3,539	21,065
100 - 499 employees	3,862	22,988
500 and more employees	4,682	27,857

The trend of real wages in Japan, broadly measured, has been rising steadily in recent years, and most Japanese regard themselves as "middle class." However, the unions contend that these overall figures downplay the effect of the differentials and do not take into account the tax "bite" and the rising costs of education and home financing.

TABLE VI

COST OF LIVING AND WAGE INDICES COMPARED

(1980 = 100: Wages Are For Regular Employees
In Firms With 30 Or More Employees)

	Cost of Living	Wage Indices				
		All Industries	Mining	Construc-tion	Manu-facturing	Service
1980	100.0	100.0	100.0	100.0	100.0	100.0
1981	104.5	105.3	106.1	107.2	105.6	104.2
1982	107.7	110.0	109.6	111.3	110.7	108.5
1983	109.7	113.8	114.1	115.6	115.0	110.7
1984	112.1	118.9	117.5	121.5	120.3	115.2
1985	114.4	123.2	123.0	127.0	125.1	119.3

(4) LIMITS OF THE SYSTEM -- It must be kept in mind that, with the exception of pay in the public sector, the system of "lifetime employment," "seniority wages" and "enterprise unions" is based not on statute but on custom and contract. There is, in particular, no legal guarantee of "lifetime" employment - only the understanding that a hard-pressed employer will exhaust all other measures before he lets staff go. Similarly, there is no legal entitlement to the system of annual seniority wage increases or to the de facto monopoly that enterprise unions enjoy in representing the workers. In fact, by law, any 2 or more workers are free to form their own union, with which the employer must bargain.

Moreover, the system exists, in its full form, only in the largest enterprises covering, perhaps, no more than the top 10-15 percent of the work force. (The percentage of workers employed in the largest firms -- 300 employees or more -- is only 11 percent of the work force.) By way of contrast, some 30 percent are employed in establishments with 30 employees or less, firms where, traditionally, unions are almost unknown and pay and benefits the lowest.

It should also be kept in mind that the "lifetime employment" and "seniority wage" systems apply to "regular employees" only, and that they do not cover the increasing numbers of temporary, part-time, and contract workers found in the economy. Legally these non-regular employees need be paid only the hourly or daily minimum wage. Similarly, only regular employees are normally eligible to join the enterprise unions. (However, some unions, concerned by the consequences of shutting out the temporaries, etc., are recruiting them.)

(5) WOMEN AS A SPECIAL CASE -- A significant and rising proportion of the new temporary and part-time workers are women. The reason for this is the fact that women in Japan continue to temporarily drop out of the labor force during their 20's and 30's (the so-called "M"-shaped female participation curve). In so doing, they are themselves dropped by "the system." Although the women graduates are recruited just like their male colleagues, this is done with the expectation that they will leave their jobs in their mid-20's for marriage and child-rearing, returning to paid employment, if at all, only when their children are all in school. Because of this, Japanese firms do not look on their young women recruits as long-term employees; and, prior to the passage of the EEO law, the seniority wage salary tables did not normally provide pay rates for women over about age 25. (This arrangement re-enforced the traditionalists' expectations that women will marry young, stop working, and start a family and thereby possibly helps perpetuate the drop-out pattern. It was also, perhaps, a vestige of the practice -- illegal for some time now -- of forcing women workers to retire upon their marrying.)

Once these women (or male drop-outs or retirees) try to rejoin the labor force, as they are increasingly doing, they cannot go back to their old employers or anywhere else and get a position as a "regular employee." For such re-entrants, only temporary or part-time work is available. (However, some foreign firms, hard put to compete with Japanese employers in recruiting good young people, appear to be starting to target women and retirees as
potential alternate sources of "regular employees." These efforts may not necessarily prove 100 percent successful. Under the Japanese income tax system, unless a working married woman has a significant income, it may be in her and her husband's best interest for tax purposes to limit her annual earnings to below yen 330,000 so as to avoid her loss of status as her husband's "dependent" and so as a deduction on his tax return.)

Although this system works a hardship on women, its impact may be heaviest on older workers of both sexes. As the lifetime employment system forces almost everyone to "retire" between ages 55 and 60, and as few can afford to actually do so, there is an ever-increasing group of older workers competing for available part-time and temporary jobs.

The implementation in 1986 of the equal employment opportunity law still appears to have had little effect on hiring patterns for women. In a survey of major Japanese corporations, one third said they would adjust their policies, another third said their companies needed no change/would not change; another third were unsure.

(6) THE PRODUCTIVITY MOVEMENT -- Some commentators have pointed out that "the three precious treasures of Japanese industrial relations" also exist in the public sector, but that labor relations there are hardly harmonious. Therefore, they see the success of Japan's system not as a result so much of the mechanisms themselves, but in their being the vehicles by which the principles of the "productivity movement" were put into practice.

The "productivity movement" began in 1955 as an alliance of businessmen, trade unionists and academics, seeking to find a way of bringing industrial peace to Japan. Contrary to current popular belief, Japanese industrial relations have not always been harmonious. From the immediate post-war period until the early 1960's, the country was wracked by significant labor unrest, generated -- to no small extent -- by communist and other radical elements then in the leadership of many of the trade unions.

In opposition to the confrontational policies of the radicals, the "productivity movement" advocated secure employment for the workers, in exchange for their close cooperation and consultation with management via enterprise unions in finding ways to increase productivity and make the firm a success to the benefit of all. The movement became accepted by a work force which had grown increasingly disenchanted with political agendas, and by the Early 1960's the radicals were almost totally pushed out of positions of leadership in the private sector unions.

By way of contrast, the public sector has never enjoyed the equivalent of the productivity movement. There, labor relations retain some of the flavor of earlier times; and the unions are amongst the strongest supporters of the political opposition to the government.

(7) THE FUTURE OF THE SYSTEM -- Many observers of the Japanese industrial relations system foresee the inevitability of sweeping changes in the not-too-distant future. In a period of modest economic growth, the lifetime employment and seniority wage systems, these observers point out, make labor expensive and discourage the creation of new jobs (in much the same way as do the legal limitations on lay-offs in Europe). This labor cost factor, it is asserted, is the reason that so many new temporary and part-time -- as opposed to "regular" -- jobs are being added to the economy, and why performance-related elements are becoming an increasing factor in total pay calculations. Although there has been significant growth in the numbers of part-time and temporary workers, the number in Japan is still significantly lower than the number of temporary workers in the U.S. With the aging of the population, and the inevitable rise in social security costs, it is predicted, the pressures on both "lifetime employment" and "seniority wages" will intensify.

Other observers predict changes in the entire system as an inevitable consequence of changing social values in Japan. The young people, it is said, are far more materialistic and individualistic than their parents. Therefore, they are said to be less loyal to their employers and unions and to place their private lives ahead of their jobs.

While these observers are able to cite instances in which individual firms have abandoned or modified lifetime employment, or seniority pay, the available information suggests the system is generally still intact.

C. The Industrial Relations Laws

Japanese industrial relations law, in general, dates from the occupation period, and has certain features which reflect American inspiration. However, it is generally agreed that those elements have long since become acclimatized to their Japanese environment.

Under Articles 12 and 28 of the Japanese Constitution, all citizens have an "eternal and inalienable" right to organize and "act" collectively. The scope of these constitutional guarantees goes far beyond those in many other countries (such as the U.S.), and the right to "act," in particular, has been interpreted by the courts as extending considerably beyond just the right to organize, to bargain collectively, and to strike.

The "Trade Union Law," which covers almost all non-public employees, implements those rights and proscribes an employer's refusal to bargain collectively as an "unfair (or improper) labor practice." To adjudicate complaints of unfair labor practices, a system of tripartite Prefectural Labor Relations Commissions exists, together with an Appellate Central Labor Relations Commission in Tokyo. (There is a separate system and commission for the maritime industry.) The authority of the Labor Relations Commission was subsequently extended to include all labor disputes; and the Commissions were mandated to adjust them by "mediation, conciliation and arbitration." However, labor disputes (other than "unfair practice" complaints) may also be appealed to the courts, and some unions reportedly prefer the courts not only because of the length of time that the Commissions' procedures require, but also because of the possibility of obtaining from a court a favorable "provisional order" (a kind of injunction), pending final disposition of a complaint.

In its application, Japan labor law is complex and, particularly insofar as "unfair labor practices" are concerned, somewhat surprising for those versed in American labor law, e.g., the unions' exercise of their constitutional rights takes precedence over other legal considerations, and unions and union members are exempt from civil or criminal liability for strikes or "justifiable acts of dispute."

Since 1947, the National Civil Service, and since 1948 all other public employees have been covered by separate statutes. Under these laws the police, firefighters, prison employees, the Self Defense Forces and the Coast Guard may not form unions, but all other public employees are free to do so.

However, the laws also prohibit strikes by public employees, limit the scope of bargaining, and with the exception of the Civil Service, provide for various commissions, analogous to those in the private sector, to handle unfair labor practice disputes. The most important of these, the Public Corporation and National Enterprise Labor Relations Commission -- KOROI -- is tripartite. The prohibition of the right to strike in the public sector has been the source of unhappiness to the public sector unions, and they have made repeated complaints about it to the International Labor Organization (ILO). However, the Japanese Supreme Court has held that the limitations on the right to strike are constitutional because the law also provides an alternate means of protecting the workers' interests.

D. The Labor Movement

Although the first Japanese unions were established in the late 19th century, the labor movement, faced by government hostility and internal divisions, was not a major factor prior to World War II. In 1940, the government dissolved all unions and organized the work force into a "national labor front."

At war's end, under the guidance of the occupation authorities, the labor front was dismantled and legislation was passed facilitating the re-establishment of true unions. In the first 12 months that followed, union membership went from about 4,000 to nearly 4,000,000. The largest unions were those of government employees, organized by ministry or other administrative unit. In the private sector, the new unions largely took the corresponding "enterprise" as their organizational unit. (The national labor front had been organized on a similar basis.) The politics of all those new unions were marked by clashes between the moderates and radicals.

In the immediate post-war period, the serious ideological and political differences within the unions repeatedly thwarted their unification. The same divisions continue today, albeit in a much more muted form. As a result, up until 1987 Japan's 74,499 unions were divided into four trade union "national centers," together with independent unions or groups of unions. The existing national centers are:

-- RENGO (Japan Private Sector Trade Union Confederation)

Rengo was formed in November of 1987 as the first step towards a total reunification of Japanese labor. Composed of most of the private sector trade unions, it has over 5.5 million members and is the largest trade union organization in the country. It encompasses affiliates of the now defunct Domei, Churitsuroren and Shinsanbetsu national centers as well as most of the private sector affiliates of Sohyo (see below). It replaced the old loose association of private sector unions, Zenminrokyo. The organization affiliated with the ICFTU in December of 1987. The goal of the new labor federation is to raise the Japanese standard of living to a level on a part with that in the United States and Western Europe. Rengo plans not to support any specific political party , but rather individual candidates. It has announced that it is an "anti-Liberal Democratic Party" and it's political endorsements will be primarily of moderate Socialist and Democratic Socialist Party candidates.

-- SOHYO (The General Council of the Trade Unions of Japan)

Sohyo was established in 1950 as a vehicle for the unification of the labor movement. With 4.36 million members, it was up until 1987 the largest of the centers. After the creation of RENGO, 17 of Sohyo's private sector affiliates chose to join the new organization and are presently maintaining dual affiliation until 1990. In 1987 Sohyo voted to merger with Rengo within the the next few years. Sohyo is largely a federation of public sector unions, including the country's two largest labor organizations: JICHIRO (local government employees - 1.3 million members), and NIKKYOSO (teachers - 667,000). Politically, Sohyo is an active supporter of the opposition Japan Socialist Party (JSP). Although its constitution provided for it to join the Brussels-based International Confederation of Free Trade Unions (ICFTU), Sohyo, due to the opposition of its left-wing, has never affiliated to that organization (or any other international body). However, individual member unions have affiliated to the ICFTU directly.

The national centers and organizations superceded by Rengo were:

-- DOMEI (The Japanese Confederation of Labor)

Domei was established in 1964 by moderate unions unhappy with Sohyo. With 2.16 million members, it was an almost exclusively private sector organization, whose strength lay in middle-sized firms. It was affiliated to the ICFTU, and played an active role in that organization. Politically, Domei supported the opposition Democratic Socialist Party, a spin-off from the JSP, and historically enjoyed close relations with the American AFL-CIO. At it annual convention in early 1987, Domei voted to dissolve, and its members join the Rengor. The federation also voted to form a political support organization, the Yuai-kai, to continue campaign and financial support for the DSP following the dissolution. Domei was dissolved in November 1987.

-- CHURITSUROREN (The Federation of Independent Unions of Japan)

Churitsuroren was founded in 1956 to facilitate cooperation between unions not affiliated to either Sohyo or Domei's predecessor. With 1.56 million members it was the third largest of the Centers, and had only private sector affiliates. Amongst them were DENKIROREN (the Electrical Machinery Workers Union), the third largest individual union in Japan Churitsuroren supported the JSP. Traditionally, and in contrast to both Domei and Sohyo, it did not maintain a strong national headquarters structure. Churitsuroren dissolved in November 1987.

-- SHINSANBETSU (The National Federation of Industrial Organizations)

Shinsanbetsu had only 61,000 members, but survives as a national center from the organizational realignment of the post-war period. Despite its small size it was officially accorded equal treatment with the other national centers. Shinsanbetsu dissolved in November 1987.

-- ZENMIN ROKYO (The Japanese Private Sector Trade Union Council)

Rengo arose out of the the 1982 creation, by private sector unions affiliated to the three existing national centers, of ZENMIN ROKYO. Zenmin Rokyo had 60 member unions, representing 5.3 million private sector workers. It transformed itself into Rengo in November 1987.

One of the main objectives of unifying the unions is to increase organized labor's political influence. Another is to find a way to deal with the relative stagnation, in absolute terms, of union membership (12.4 million) which translates into a falling percentage of the work force (28.9 percent) (See also Appendix C, Table A. 1). Despite this stagnation, most Japanese unions, thanks to their high dues structures, are relatively affluent, and are able to maintain large staffs. Some have also accumulated large strike funds (Zendentsu, the NTT union reported in 1985 to have a fund of yen 3.6 billion -- roughly $25 million).

The relative wealth of the Japanese labor movement permits the major national centers, Rengo and Sohyo, to be quite active internationally. Both participate in the activities of the Trade Union Advisory Committee (TUAC) to the OECD, and in the International Labor Organization (ILO).

As a major ICFTU affiliate, Rengo is also active in that organization's affairs, and one of its vice-presidents is head of the ICFTU's Asian and Pacific Regional Organization (APRO). Rengo has shown a particular interest in assisting the unions in the South Pacific countries and in maintaining good relations with its European and American counterparts.

Sohyo also maintains a wide variety of international contacts, including annual meetings and exchange programs with the Soviet AUCCTU. Sohyo also maintains an office in Paris, inter alia, to maintain contact with TUAC.

Individual Sohyo and Rengo affiliates are very active in the work of the international trade secretariats such as the IMF, the ICEF, and PSI.

E. Employers Organizations

The most representative organization of employers, as such, is NIKKEIREN (the Japan Federation of Employers' Associations). Nikkeiren has a membership of some 31,000 corporations, organized into 8 regional associations (covering all 47 prefectures) and 55 industrial associations. (The only sectors where the employers' interests are not represented by Nikkeiren are agriculture, forestry, and the public corporations.) Nikkeiren was founded in 1948, inter alia, to promote harmonious labor management relations; and it engages in policy study and recommendations, liaison with the government and the trade unions, training programs (including the operation of a management development center), research, public relations, and international affairs (including participation in the ILO). However, it does not itself engage in collective bargaining.

Nikkeiren maintains close contacts with KEIDANREN (the Federation of Economic Organizations), which represents Japan's major corporations on matters other than those involving labor and social issues.

F. Collective Bargaining and Wage Determination

In the private sector it is customary for collective bargaining to cover almost every conceivable aspect of labor management relations. The results are formalized in what are known as "comprehensive labor agreements."

However, issues affecting "management and production" (new plant and equipment, sub-contracting, etc.) are normally handled in the regular close consultations between the unions and managements which are characteristic of labor relations in Japan rather than made a subject of bargaining as such.

Curiously enough, these comprehensive labor agreements normally do not cover wages. Those are dealt with in separate annual negotiations held during what is known as the "spring labor offensive" (Shunto). This unusual aspect of Japanese industrial relations has its origins in the tactics the unions used to expand wage bargaining beyond the level of the individual enterprises and their unions.

For almost the first two decades of the post-war period, all negotiations, including those for wages, were done at the enterprise level only. Efforts on the part of unions to raise the talks, and so their leverage, to industry-wide bases were rejected by the employers.

In 1956, Sohyo inaugurated the first Shunto in an effort to develop a common labor front on wage bargaining. The spring was chosen because in Japan it is an ideal period for making financial settlements. It is the time when new employees are hired and seniority pay increases scheduled; when firms calculate their profits and announce promotions and transfers; and when the Diet, the national legislature, completes work on the budget for the new Japanese fiscal year (which begins April 1). Despite some initial resistance, Sohyo's strategy ultimately proved successful and today the wages of over 70 percent of all workers are determined by the Shunto negotiations.

These wage negotiations are conducted, by industry, either on what is called the "group" basis, (in which the unions in a particular industry meet either with the employers, or with the employers' industry-wide organization) or as "united" bargaining (in which the unions' industrial federation will negotiate with the counterpart employers' organization on behalf of all the unions and all the employers.) These negotiations take place serially in accordance with established custom, during the period March through May, with the peak of the negotiation normally falling in April.

In the early years of the Shunto, when the economy was growing rapidly, there was a labor shortage, and firms were competing for new employees by bidding up wages. This tended to make for rather high Shunto settlements. In recent years, however, the slackened demand for labor, and the generally uneven state of the world economy, has held the gains down.

Amongst the more interesting spin-offs of these national wage negotiations has been the development of Shunto-related special organizational alliances of industrial unions affiliated to different national centers. The most important of these is the International Metalworkers Federation-Japan Council (IMF-JC), which coordinates the activities of the Sohyo, Domei, and Churitsuroren unions in, inter alia, steel, shipbuilding, heavy machinery, and electrical machinery. All of these unions are independently affiliated to the Geneva-based International Metalworkers Federation (IMF), the oldest international trade union body in the world. Comparable councils exist for the Japanese affiliates of the International Chemical and Energy Federation (ICEF), the International Union of Foodworkers (IUF), and the International Federation of Commercial, Clerical and Technical Employees (FIET).

In the public sector both wages and conditions of employment are determined by law. Although the civil service unions have the authority to negotiate with management, the conclusion of agreements is legally pro- hibited. The National

Personnel Authority (NPA) makes annual recommendations on salary increases for national civil servants to the Cabinet and Diet. These recommendations are based on wage surveys, which reflect the results of the Shunto. In the public enterprises, the right to negotiate and conclude agreements exists, but may not extend to administrative and managerial activities not directly related to conditions of employment. Moreover any agreements that would result in the expenditure of funds not budgeted for are not binding and cannot be authorized until approved by the Diet. In 1987 the NPA recommended a 1.38 percent wage increase for government employees.

IV. MILITARY LABOR SITUATION

Under Japan's Mutual Security Treaty with the U.S., U.S. Forces here are accorded a number of military bases and facilities throughout the nation. As of December 1987 U.S. Forces Japan employed about 20,000 Japanese, a figure which has remained virtually unchanged since 1979.

With few exceptions, Japanese workers on U.S. installations are legally Japanese government employees. The Defense Facilities Administration Agency (DFAA), which is a GOJ agency, is the employer of record while U. S. Forces Japan maintains operational authority over the employees and performs day-to-day management and supervision functions.

With wages for Japanese employees of U.S. Forces Japan established according to the principle of prevailing practice, (the rates paid to Japanese civil servants as set by the NPA) the increases granted to them each year are in principle at the same rate as those obtained by Japanese civil servants. As of December 1986, the GOJ was paying approximately 17 percent of the total cost of U.S. Forces Japan local national employees.

V. HIGHLIGHTS OF 1987

A. Economic Growth and Employment

The Japanese economy recovered from the economic downturn that resulted from the sudden rise of the yen in 1986 and early 1987.. Unemployment rose early in the year, peaking at 3.2 percent in February and March, but declining to 2.5 percent by years end for an annual unemployment rate of 2.7 percent. The growth in employment was a result of a revival of job creation in the tertiary sector coupled with growth in construction and manufacturing.

B. Labor Legislation

With the exception of the changes in the Labor Standards Law discussed in II A and B above, there was no new major labor legislation in 1987

C. Labor Administration

Personnel changes in the Ministry: After establishment of the Takeshita cabinet November, House of Counsellors member Taro Nakamura replaced Takushi Hirai as Minister of Labor. LDP House of Counsellors member Masaru Urata was named Parliamentary Vice-Minister. (See Appendix B for biographies)

D. Trade Union Affairs

(See III above).

1987 also saw the continuation of the troubles for the the Japan Teachers' Union (Nikkyoso). AS in 1986, the factional disputes again caused the union to fail to hold its legally required annual convention. In November, the left-wing of the union made a move to oust the present union president by unilaterally calling a convention (which the mainstream factions refused to attend) and elected a new president and central committee. later that month a compromise was mediated by Sohyo which called for the two groups to send representatives to a meeting to discuss the budget and plan for a convention to discuss fiscal matters only (the convention was ultimately held in February 1988). Failing to hold a convention the union's national organization essentially had ceased to function. However, the prefectural and local organizations, as autonomous bodies, continued to operate.

E. Industrial Relations

(1) Shunto (Annual Spring Wage Negotiations): The 1987 Shunto began in the midst of unemployment hovering around three percent and the employers seeking to deal with the rapid rise in the value of the yen. Despite hints by the Ministry of Labor and the Economic Planning Agency for higher wage increases, the 1987 Shunto produced an average wage hike of only 3.56 per cent, the lowest in the 23-year history of the Shunto. Still, given the nature of the seniority wage system and the significant wage differentials between firms of different sizes, and in different industries, the percentage settlements, as such, can be somewhat misleading. The actual benefits accruing to the workers, and so the costs to employers, vary according to not only the industry and the size of the firm, but the length of service of the employees as well.

(2) Public Sector: The National Personnel Authority (NPA) recommended a 1.38 percent salary increase for the civil service, which was accepted by the Diet. The government agreed to implement the recommendation fully retroactive to the beginning of fiscal 1987.

(3) Work Time: In 1987 there was little practical progress made in reducing hours of work. The Labor Ministry, which had set 1985 as the year for bringing the average annual figure down to 2,000 hours, on a voluntary basis, had been obliged to make 1990 as the new target date. However, the partial (alternating) 5-day work week is now installed in 80 percent of Japanese private firms, and was introduced into all banks, insurance companies, and post offices in 1986, and the 46 hour week was established by law (see II A and B above).

(4) Strikes and Disputes: In 1986, the most recent year for which figures are available, the number of labor disputes was reported at 2,002, involving 1,497,814 workers. Of these disputes, 619 involved strike action for more than one half day, involving 117,985 workers.

F. International Activities

The Japanese government, trade unions, and employers were all engaged in a variety of labor-related international activities during 1986. The Ministry also participated in the ILO's annual International Labor Conference.

The JIL-administered potential trade union leader program for the U.S. continued through 1987. Delegations were received from: the IAM, UAW, USWA, CWA, IBEW. Each group spent about one month touring Japan and familiarizing themselves with Japanese unions, industrial relations and culture in general. The JIL again this year invited delegations and individuals from other industrial democracies, and this year for the first time, two delegations from South Pacific island nations, to visit Japan.

Despite the reorganization of the union movement, the trade unions maintained their usual high level of international activity.

VI. APPENDICES

APPENDIX A

ABBREVIATIONS AND FOREIGN TERMS*

ACTWU	Amalgamated Clothing and Textile Workers Union, AFL-CIO
AFL-CIO	American Federation of Labor-Congress of Industrial Organizations
AUCCTU	All-Union Central Council of Trade Unions (Soviet)
Churitsuroren	Federation of Independent Unions of Japan
CGT-FO	Confederation Generale du Travail - Force Ouvriere (French)
Denkiroren	Federation of Electrical Machine Workers' Unions (Churitsuroren)
DGB	Deutscher Gewerkschaftsbund (West German Trade Union Federation)
DOL	Department of Labor
Domei	Japanese Confederation of Labor
DSP	Democratic Socialist Party
D-T-M	Department of Labor to Ministry of Labor (Cooperative Program)
FIET-JLC	International Federation of Commercial, Clerical and Technical Employees-Japan Liaison Council
GOJ	Government of Japan
ICFTU	International Confederation of Free Trade Unions
ICFTU-APRO	ICFTU's Asian and Pacific Regional Organization
ILGWU	International Ladies Garment Workers' Union, AFL-CIO
ILO	International Labor Organization

IMF	International Metalworkers Federation
IMF-JC	Japan Council of Metalworkers' Unions affiliated to the IMF
ITF	International Transport Workers' Federation
ITS	International Trade Secretariats. (International industrial union organizations associated with the ICFTU)
JCP	Japan Communist Party
JFY	Japanese Fiscal Year (April 1 - March 31)
Jichiro	All-Japan Prefectural and Municipal Workers' Unions (Sohyo)
Jidoshasoren	Confederation of Japan Automobile Workers' Unions (Independent umbrella organization)
JIL	Japan Institute of Labor
JNR	Japanese National Railways
JPC	Japan Productivity Center
JSP	Japan Socialist Party
Kokuro	National Railways Workers' Union (Sohyo)
Koroi	Public Corporation and National Enterprise Labor Relations Commission
Komeito	Clean Government Party
Komuinkyoto	Congress for Joint Struggles of Public Workers' Unions of Japan (Sohyo)
Korokyo	Council of Public Corporation and National Enterprise Workers' Unions (Sohyo)
LDP	Liberal Democratic Party
MOL	Ministry of Labor
Nikkeiren	Japan Federation of Employers' Associations
NPA	National Personnel Authority

NTT	Nippon Telegraph and Telephone (Public) Corp.
PTTI	Postal Telegraph and Telegram International
Shinsanbetsu	National Federation of Industrial Organizations
Shitetsusoren	General Federation of Private Railway Workers' Unions of Japan (Sohyo)
Shunto	Spring labor offensive
Sohyo	General Council of Trade Unions of Japan
Tekkororen	Japan Federation of Iron and Steel Workers' Unions (Sohyo)
Toitsurosokon	Trade Union Council to Promote Labor Unification (JCP-affiliated)
UAW	United Auto Workers, AFL-CIO
USG	United States Government
USWA	United Steel Workers of America, AFL-CIO
WFTU	World Federation of Trade Unions (communist)
WCL	World Confederation of Labor (deconfessionalized christian)
Zenkanko	National Council of Government and Public Corporation Workers' Union (Domei)
Zenmin Rokyo	National Council of Private Sector Labor Unions

*Affiliation of unions given in parentheses.

APPENDIX B

LABOR MINISTRY - RODOSHO
1-2-2 Kasumigaseki
Chiyoda-ku, Tokyo 100
Tel. (03) 593-1211

PRINCIPALS:

LABOR MINISTER - MR. TARO NAKAMURA:

Prime Minister appointed Taro Nakamura as Minister of Labor in November, 1987. Nakamura is a 69-year old member of the Upper House. He was first elected in 1974 and is a member of the ruling Liberal Democratic Party's Takeshita Faction. He has previously served as Parliamentary Vice-Minister of Finance. Nakamura was born in Yamanashi Prefecture.

PARLIAMENTARY VICE MINISTER - MR. MASARU URATA:

Masao Urata is also a Liberal Democratic Party member of the Upper House. He is 64 years old and is in his second term. He was first elected in 1983. Before being elected to national office, Urata served six terms in the Kumamoto Prefectural Assembly. He is a native of Kumamoto.

ADMINISTRATIVE VICE MINISTER - MR. YOSHIO OKAI:

Yoshio Okai, 55 years old, joined the Ministry in 1956 after graduating from Tokyo University. He has previously served as Director-General of the Ministry's Labor Policy Division, as well Chief Secretary in the Minister's Secretariat. He was appointed Administrative Vice Minister in 1987.

ASSISTANT MINISTER FOR INTERNATIONAL AFFAIRS - MR. TADASHI NAKAMURA:

Tadashi Nakamura joined the Labor Ministry in 1958 after graduating from the prestigious Tokyo University Law Department. He was a Fulbright student at the University of Illinois (1962-63) and later served on the Japanese Mission to the OECD (1971-76). His subsequent assignments have included a tour as a division chief in the International Bureau.

APPENDIX C

COUNTRY LABOR PROFILE FOR JAPAN AND STATISTICAL TABLES (1987 statistics, except where noted)

Size 150,968 sq. miles;	377,420 sq. km
Population	122,180,000 (Fixed as of Sept. 1,'87)
Labor Force	60,084,000
GNP (1987)	334,887 trillion yen
Per Capita GNP (1987)	2.73 million yen
Trade Union Members	12,280,983
Organization Rate	28.1 percent
Exchange Rate (1987)	US $1 = 145 Yen

EMPLOYMENT/GROSS DOMESTIC PRODUCT

Industry	Employment - 1987 Workers (thousands)	Percentage Women	Percentage of 1987 GDP
Agriculture, forestry and fisheries	4,893	47.6	2.9
Mining	80	12.5	0.4
Manufacturing	14,250	39.2	29.3
Construction	5,330	14.8	7.5
Trade, finance, insurance, real estate	16,000	47.7	28.7
Transport, communications, utilities	3,790	13.5	9.8
Services	12,550	50.3	14.6
Government	1,980	17.2	8.4

LABOR FORCE

	(thousands)			
	1984	1985	1986	1987
Professional and technical	5,280	5,380	5,440	5,990
Administrative and managerial	2,130	2,110	2,130	2,230
Clerical	10,210	10,210	10,320	10,320
Sales	8,700	8,610	8,830	9,080
Farmers, fishermen, forestry	5,040	5,020	4,890	4,840
Mine workers	30	40	40	40
Transport and communications	2,280	2,270	2,310	2,230
Craftsmen and production workers	16,660	16,890	16,930	16,540
Laborers	2,200	2,300	2,300	2,390
Service workers	4,920	5,010	5,140	5,190
Women employed	22,820	23,040	23,270	23,600
Female salary and wage earners	15,180	15,480	15,840	16,150
Labor Force Participation Rate	63.4%	63.0%	62.8%	62.6%

SECTION A. TRENDS IN UNION MEMBERSHIP

TABLE A.1

TRENDS IN NUMBER OF TRADE UNIONS, MEMBERSHIP AND ESTIMATED RATE OF UNIONIZATION

Year	No. of Unions	Union Membership	No. of Employees	Estimated Unionization Rate (Percent)
1974	(67,829) 32,734	12,462,000	36,760,000	33.9
1983	(74,486) 34,539	12,520,000	42,090,000	29.7
1984	(74,579) 34,579	12,464,000	42,820,000	29.1
1985	(74,499) 34,539	12,418,000	43,010,000	28.9
1986	(74,813) 34,216	12,340,000	43,830,000	28.2
1987	(73,138) 34,033	12,272,000	44,480,000	27.6

NOTES: 1) Figures for number of employees are from the "Labor Force Survey" by the Statistics Bureau of the Management and Coordination Agency (formerly attached to the Prime Minister's Office). The other figures in Table A are from the "Basic Survey on Trade Unions," by the Ministry of Labor. Both surveys are as of June 30 each year.

2) The estimated unionization rate is the number of union members divided by the number of employees.

3) Figures in parentheses represent the number of unit unions.

TABLE A.2

UNION MEMBERSHIP AND ESTIMATED UNIONIZATION RATE BY INDUSTRY

Industry	Workforce by Industry (000)	Union Membership: Members (000)	Union Membership: Change frm 1986 (000)	Union Membership: Distribution by Industry (%)	Estimated Unionization Rate: 1985 (%)	Estimated Unionization Rate: 1986 (%)	Estimated Unionization Rate: 1987 (%)
All Industries	44,480	12,272	-71	100.0	28.9	28.2	27.6
Agriculture, Forestry, Fishery & Aquaculture	440	64	-3	0.5	17.2	14.5	14.5
Mining	80	31	-6	0.2	48.7	52.7	38.2
Construction	4,080	736	+6	6.0	19.7	17.9	18.0
Manufacturing	12,000	4,104	-37	33.4	33.7	34.0	34.2
Wholesale & Retail	10,000	883	+19	7.2	9.3	8.9	8.8
Finance, Insurance & Real Estate	2,150	1,068	+33	8.7	49.3	49.5	49.7
Transport & Telecommunications	3,150	1,780	-67	14.5	57.9	56.8	56.5
Utilities	340	227	0	1.8	67.9	66.7	66.7
Service	10,150	1,692	-4	13.8	18.2	17.6	16.7
Government	2,010	1,456	-4	11.9	76.4	75.2	72.4

TABLE A.3

UNION MEMBERSHIP BY MAJOR NATIONAL CENTER AND SECTOR
(Thousands)

	1986			1987		
	Total	Private Sector	Public Sector	Total	Private Sector	Public Sector
Sohyo	4,270	1,681	2,589	4,075	1,694	2,381
Domei	2,129	1,988	142	2,103	1,991	112
Shinsanbetsu	62	59	0	66	65	1
Churitsuroren	1,599	1,559	0	1,646	1,646	(0.4)
Others	4,819	0	0	4,993	4,775	217
Total	12,343	9,382	2,961	12,833	10,171	2,711

TABLE A.4

UNION MEMBERSHIP BY MAJOR NATIONAL CENTER AND SECTOR
(Percentage)

	1986			1987		
	Total*	Private Sector	Public Sector	Total*	Private Sector	Public Sector
Sohyo	34.6	0.0	0.0	33.2	41.6	58.4
Domei	17.3	0.0	0.0	17.1	94.7	5.3
Shinsanbetsu	0.0	95.4	4.6	0.5	98.5	1.5
Churitsuroren	13.0	0.0	0.0	13.4	100.0	0.0
Others	39.1	0.0	0.0	40.7	95.6	4.3
Total	100.0			100.0		

*Union center membership as a percentage of all unionized workers

TABLE A.5

THE TWENTY LARGEST TRADE UNIONS

Rank	Trade Union (Affiliation)	Occupation or Industry	Membership in 1986 (000)	Membership in 1987 (000)
1	Jichiro (Sohyo)	Local government employees	1,254	1,25
2	Jidoshasoren** (Ind.)*	Automobile workers	689	69
3	Denkiroren (Churitsuroren)*	Electrical machinery workers	655	66
4	Nikkyoso (Sohyo)	Teachers	663	65
5	Zensen (Domei)*	Textile workers	498	50
6	Seihororen (Churitsuroren)*	Life Insurance workers	385	39
7	Zenkensoren (Churitsuroren)	Construction workers	368	38
8	Zenkinrengo (Domei)*	Metal workers	289	32
9	Jyoho Tsushin Roren*	Telecommunication workers	313	30
10	Denryokusoren (Ind.)*	Electric Power & Related wkrs	215	21
11	Jidosharoren*(Domei)*	Automobile workers	217	21
12	Tekkororen (Sohyo)*	Iron and steel workers	210	20
13	Shitetsusoren (Sohyo)*	Private railway workers	196	19
14	Zentei (Sohyo)	Postal workers	168	16
15	Zenkokukinzoku (Sohyo)*	Metal workers	155	15
16	Shiginren (Ind.)	City bank employees	149	14
17	Nihonirokyo (Sohyo)	Medical workers	143	14
18	Kokkororen (Sohyo)	National Service Employees	138	13
19	Denryokuroren (Domei)*	Electric power workers	133	13
20	Zosenjukiroren (Domei)*	Shipbldg. & heavy mch. workers	157	12

(Figures as of June 30, 1987)

* Affiliated with Rengo, Sohyo affiliates maintain dual affiliation

**Jidosharoren is dually affiliated with Jidoshasoren.

SECTION B. JAPANESE UNIONS AFFILIATED WITH INTERNATIONAL ORGANIZATIONS

B.1 UNIONS AFFILIATED DIRECTLY WITH THE ICFTU:
(membership figures listed are ICFTU-dues paying members, which differ in some cases from total union membership)

1. Japanese Private Sector Trade Union Confederation (Rengo, 4,500,000).

2. Japan Postal Workers' Union (Zentei, 150,000).

3. Japan Municipal Transport Workers' Union (Toshiko, 20,000).

4. National Council of Government and Public Workers Unions (Zenkanko, 101,000).

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B.2 UNIONS AFFILIATED WITH INTERNATIONAL TRADE SECRETARIATS

B.2-a INTERNATIONAL METALWORKERS' FEDERATION (IMF).

JAPAN COUNCIL OF METALWORKERS' UNIONS (IMF-JC):

1. Japanese Federation of Electrical Machine Workers' Unions (Denkiroren, 586,000).

2. Japanese Federation of Iron and Steel Workers' Unions (Tekkororen, 215,443).

3. Confederation of Japan Automobile Workers' Unions (Jidoshasoren, 654,000).

4. Japanese Metal Industrial Workers' Union (Zenkindomei, 290,038).

5. Japanese Confederation of Shipbuilding and Engineering Workers' Union (Zosenjukiroren, 171,730).

6. National Machinery and Metal Workers' Union (Zenkikin, 45,000).

7. Caterpillar Mitsubishi Workers' Union (6,782).

8. Canon Workers' Union (13,300).

9. Sankyo Workers' Union (2,700).

10. All-Okamura Steel Furniture Mfg. Workers' Federation (2,800).

11. Komatsu International Mfg. Workers' Union (1,100).

12. Nippon NCR Workers' Union (300).

13. Nippon Otis Workers' Union (1,213).

14. Konishiroku Union (4,200).

B.2-b INTERNATIONAL FEDERATION OF CHEMICAL, ENERGY AND GENERAL WORKERS' UNION (ICEF)

ICEF-JAPANESE AFFILIATES FEDERATION (ICEF-JAF):

1. Federation of Electric Workers' Unions of Japan (Denryokuroren).

2. Japanese Federation of Chemical and General Trade Unions (Zenkadomei).

3. Japanese Federation of Paper Pulp Workers' Unions (Kamipasorengo).

4. Japanese Federation of Textile, Garment, Chemical, Distributive and Allied Industry Workers' Unions (Zensendomei).

5. Japanese Federation of Rubber Workers' Unions (Zennihongomuroren).

6. National Federation of Synthetic Chemistry Workers Unions (Gokaroren).

7. National Organization of All Chemical Workers (Shinkagaku).

8. All-Japan Oil Workers' Union (Zensekiyu).

9. National Council of Gas Supply Workers' Unions (Zenkokugasu).

10. Japanese Federation of Chemical Workers' Unions (Kagakusoren).

11. Karoken.

12. Tanso Group.

B.2-c INTERNATIONAL UNION OF FOOD AND ALLIED WORKERS' ASSOC. (IUF)

INTERNATIONAL UNION OF FOOD WORKERS - JAPAN COORDINATING COUNCIL (IUF-JCC):

1. National Federation of Food Industry Workers' Unions (Zenshokuhindomei).
2. All Japan Federation of Food Industries Workers' Unions (Shokuhinroren).
3. Kirin Brewery Workers Union.
4. Meiji Milk Workers Union.
5. All-Japan Federation of Hotel Workers' Unions (Hoteruroren).
6. National Federation of General Workers Unions (Ippandomei).
7. Ajinomoto Workers Union.
8. The Japan Tobacco Workers' Union (Zen Tabacco).
9. Zennichiryo.
10. Nippon Railway Dining Car Employees Union (Zennisshoku).

B.2-d INTERNATIONAL TRANSPORTWORKERS' FEDERATION (ITF)

1. National Railway Workers' Union (Kokuro).
2. Nihon National Railway Motive Power Union (Doro).
3. All Japan Municipal Transport Workers Unions (Toshiko).
4. All-Japan Seamen's Union (Kaiin).
5. Japan Federation of Travel and Aircargo Agency Workers' Unions (Kankororen).
6. Japan Airlines Cabin Attendants Union (Kyakujo)
7. Council of All Japan Federation of Transport Workers' Unions (Unyuroren).

8. Japanese Confederation of Aviation Labor (Kokudomei).

9. Japan Federation of Transport Workers' Unions (Kotsuroren).

10. General Federation of Private Railway Workers' Unions of Japan (Shitetsusoren).

-e INTERNATIONAL FEDERATION OF FREE TEACHERS' UNIONS (IFFTU)

1. Japan Teachers Union (Nikkyoso).

-f INTERNATIONAL TEXTILE, GARMENT AND LEATHER WORKERS FEDERATION (ITGLWF)

1. Japanese Federation of Textile, Garment, Chemical Distributive and Allied Industry Workers' Unions (Zensendomei).

B.2-g POSTAL TELEGRAPH AND TELEPHONE INTERNATIONAL (PTTI)

1. Japan Postal Workers' Union (Zentei).

2. Japan Telecommunications Workers' Union (Zendentsu).

3. KDD Workers' Union.

4. Federation of Telecommunications' Electronic Information and Allied Workers (Dentsuroren).

-h INTERNATIONAL FEDERATION OF COMMERCIAL, CLERICAL AND TECHNICAL EMPLOYEES (FIET)

INTERNATIONAL FEDERATION OF COMMERCIAL, CLERICAL AND TECHNICAL EMPLOYEES - JAPAN LIAISON COUNCIL (FIET-JLC)

1. Japan Federation of Commercial Workers' Unions (Shogyororen).

2. Confederation of Japan Automobile Workers' Unions (Jidoshasoren).

3. Japanese Federation of Textile, Garment, Chemical, Distributive and Allied Industry Workers' Unions (Zensendomei).

4. Federation of Non-Life Insurance Workers' Unions of Japan (Sonpororen).

5. Japanese Confederation of Aviation Labor (Kokudomei).

B.2-i PUBLIC SERVICES INTERNATIONAL (PSI)

1. All Japan Prefectural and Municipal Workers' Union (Jichiro).

2. National Fed. of Water Supply Workers Unions (Zen Suido).

B.2-j INTERNATIONAL SECRETARIAT OF ENTERTAINMENT TRADE UNIONS (ISETU-FIET)

1. Japanese Musicians Union (Nichionro).

B.2-k MINERS INTERNATIONAL FEDERATION (MIF)

1. Japan Coal Miners' Union (Tanro).

2. Japanese Metalmine Workers Unions (Hitetsu Kinzoku Roren).

3. National Union of Coal Mine Workers (Zentanko).

B.2-l INTERNATIONAL FEDERATION OF BUILDING AND WOODWORKERS (IFBWW)

1. National Forest Workers' Union of Japan (Zenrinya).

2. Japanese Federation of Chemical and General Trade Unions (Zenkadomei).

3. Japanese Federation of Construction Industry Workers (Kensetsudomei).

4. Nat'l Forest Workers Union of Japan (Nichirinro).

B.2-m INTERNATIONAL GRAPHICAL FEDERATION (IGF)

1. All Printing Agency Workers Union (Zen Insatsu).

B.3 UNIONS AFFILIATED WITH TRADE UNION INTERNATIONALS OF THE WFTU:

1. Japan Council of Medical Workers Unions (Nihonirokyo, 142,000 members)
   --Public Service Related Workers TUI.

2. All-Japan General Construction Day Workers Union (Kensetsuippan Zennichijiro, 71,000 members)
   --Construction TUI.

3. All-Japan Construction Workers Union (Zenkenro, 8,000 members)
   --Construction TUI.

4. National Federation of Automobile Transport Workers Union (Zenjikororen, 55,000 members)
   --Transport, Dockworkers and Fishing TUI.

5. All-Japan Transport and General Workers Union (Unyuippan, 18,000 members)
   --Transport, Dockworkers and Fishing TUI.

In addition, the Hitotsubashi branch of the Japan Senior High School Teachers Union (Nikkokyo-Hitotsubashi, 30,000 members) has observer status in the WFTU Teachers Union. The Japan Federation of National Service Employees (137,000 members) has observer status in the Public Service Related Workers TUI.

SECTION C. LABOR MINISTRY BUDGET

LABOR MINISTRY BUDGET

Item	JFY 87	JFY 88	JFY 87-88 Percent Change
	(billions of yen)		
General Account	488	489	+0.1
Labor Insurance Special Account	4,029	4,238	+5.2
-- Workmen's Accident Compensation	1,792	1,836	+2.4
-- Employment Insurance	2,237	2,402	+7.4
-- Assessment Account	2,735	2,851	+4.2
Coal and Petroleum and Alternative Energy Measures Special Account	20	22	+11.8

Source: Japanese Ministry of Labor (MOL)

Note: (1) Japan Fiscal Year (JFY) runs from April through March.
(2) JFY-88 budget figures are Government's final recommendations which have yet to be approved by the Diet.

SECTION D. LABOR STATISTICS

TABLE D.1

LABOR FORCE SURVEY

	1985	1986	1987	Percent Change
		(thousands)		
A. Population Aged 15 & over	94,650	95,870	97,200	+1.4
(Male)	46,020	46,620	47,260	+1.4
(Female)	48,630	49,250	49,950	+1.4
B. Labor Force	59,630	60,200	60,840	+1.1
(Male)	35,960	36,620	36,550	+0.8
(Female)	23,670	23,950	24,290	+1.4
C. Total Employment	58,070	58,530	59,110	+1.0
(Male)	35,030	35,260	35,510	+0.7
(Female)	23,040	23,270	23,600	+1.4
D. Wage and Salary Earners	43,130	43,790	44,280	+1.1
(Male)	27,640	27,950	28,130	+0.6
(Female)	15,480	15,840	16,150	+2.0
E. Sectoral Employment				
Agriculture Forestry	4,640	4,500	4,460	-0.9
Non Agriculture/Forestry	53,430	54,030	54,650	+1.1
Fisheries and aquaculture	450	450	430	-4.4
Mining	90	80	80	- 0.0
Construction	5,300	5,340	5,330	-0.2
Manufacturing	14,530	14,440	14,250	-1.3
Wholesale, retail, finance insurance and real estate eating and drinking places	15,350	15,640	16,000	+2.3
Transportation, communication and utilities	3,760	3,840	3,790	1.3
Services	11,730	12,050	12,550	+4.1
Government	1,990	1,970	1,980	+0.5
Primary Sector Total	5,090	4,950	4,890	-1.2
Secondary Sector Total	19,920	19,860	19,660	-1.0
Tertiary Sector Total	32,830	33,500	34,320	+2.4

	1985	1986	1987	Percent Change
		(thousands)		
F. Wage and Salary Earners by Size of Enterprises in Non-agricultural/forestry Sector				
1 - 29 employees	14,260	14,570	14,770	+1.4
30 - 499 employees	13,270	13,610	13,710	+0.7
500 employees and over	10,170	10,200	10,390	+1.9
G. Total Unemployment	1,560	1,670	1,730	+3.6
(Male)	930	990	1,040	+5.1
(Female)	630	670	690	+3.0
H. Unemployment Rate	2.6%	2.8%	2.8%	

Source: Labor Force Survey by the Statistics Bureau of the Management and Coordination Agency (formerly of the Prime Minister's Office).

Note: Unemployment - Those persons aged 15 and over who were able and willing to work and who actively sought jobs during the survey week.

Government sector employment is not equivalent to the number of public employees, which in the broadest sense (including employees of government-related enterprises) totals about 5.3 million.

TABLE D.2

LABOR MARKET

	1985	1986	1987	Percent Change
		(thousands)		
Average monthly active job openings	1,161	1,086	1,197	+10.2
Average monthly active job applicants	1,707	1,740	1,719	-1.2
Average monthly openings/applicants ratio	.68%	.62%	0.70%	

Source: Report on Employment, Ministry of Labor

TABLE D.3

HOURS AND WAGE INDICES

	1985	1986	1987 (thousands)	Percent Change
Total annual hours worked by regular workers				
All industries surveyed	2,110	2,102	2,111	+0.4
Manufacturing only	2,156	2,138	2,149	+0.5
Scheduled hours				
All industries covered	1,932	1,930	1,934	+0.2
Manufacturing only	1,936	1,933	1,939	+0.3
Overtime				
All industries covered	178	173	178	-2.5
Manufacturing only	221	205	210	-2.8
Nominal wages index (1985=100)				
All industries covered	100	103.5		+3.5
Manufacturing only	100	102.3		+2.3
Real wage index (1985=100)				
All industries covered	100	103.1		+3.1
Manufacturing only	100	102.0		+2.0

Source: Monthly Labor Survey, Ministry of Labor

D.4 - CONSUMER PRICE INDEX

	1985	1986	Percent Change
Consumer price index (1985=100)	100	100.6	+0.6

Source: Statistics Bureau, Management and Coordination Agency

D.5 - WHOLESALE PRICE INDEX

	1985	1986	Percent Change
Wholesale price index (1980=100)	99.5	90.2	-9.3

Source: Bank of Japan

D.6 - PRODUCTION STATISTICS

	1985	1986	Percent Change
Mining and Manufacturing Production Index	121.9	121.5	-0.3

Source: Ministry of International Trade and Industry, "Current Production Statistics."

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D.7 - LABOR PRODUCTIVITY INDEX

	1982	1983	1984	1985	1986
Labor Productivity Manufacturing Index (1980=100)	103.4	108.1	118.9	123.9	*126.2

Source: Japan Productivity Center

*1986 Figure is January through October average.

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